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SUBJECT: KREMLIN AGGRESSIVELY SEEKS TO DISRUPT KASYANOV'S PRESIDENTIAL HOPES

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Classified By: Minister-Counselor for Political Affairs Kirk Augustine.
Reasons 1.4 (B/D).

11. (C) SUMMARY: Former Prime Minister Mikhail Kasyanov, the only declared candidate for the 2008 presidential election, has faced a tough and thus far frustrating slog in his bid to unite the democratic opposition behind him. During several recent visits to the country's regions, Kasyanov has been shouted down by organized protesters, assaulted with eggs, physically blocked from entering meeting places, and on one occasion prevented from speaking to supporters because of an alleged bomb threat. The latest setback occurred last week when supporters of a rival candidate for the leadership of the Democratic Party prevented him from attending the party's congress. Kasyanov's chief advisor acknowledged to us December 23 that his boss was disheartened by recent events but remained undeterred and will press ahead with his political quest. END SUMMARY.

12. (C) In recent months, former Prime Minister Mikhail Kasyanov has sought to position himself as the only viable democratic presidential candidate (reftels). He has made limited progress in this regard, gaining support from Nikita Belykh of the Union of Right Forces (SPS); Irina Khakamada, leader of Our Choice and a former presidential candidate; and Ivan Starikov, maverick member of the SPS Political Council and former campaign manager for Mikhail Khodorkovskiy's failed bid to run in a State Duma by-election earlier this month. Kasyanov's prominence at a December 12 Civil Congress of democratic politicians and civil society activists might also have boosted his hopes, though many remain suspicious of Kasyanov and believe he must do more to burnish his democratic credentials. Among other things, many democrats view his reputation for corruption and his close ties to Russian business "oligarchs" as an Achilles heel. As he worked to establish his credentials, Kasyanov was also hoping that a take-over of the Democratic Party (DP) would give him a launching pad for his political ambitions and allow him to avoid creating his own party. But in that endeavor, too, his reputation for corruption preceded him, and even some of his sympathizers acknowledged to us that he had tried to buy his way into control of the party.

NOT THE WAY TO UNITE THE DEMOCRATIC OPPOSITION

13. (C) Oleg Buklemishev, long-time advisor to the former Prime Minister, told us December 23 that Kasyanov had fully expected strong pressure from the Kremlin and other opponents of his candidacy, but the intensity of the opposition and level of vitriol associated with recent events in Moscow and Kursk had come as an unwelcome surprise. Buklemishev said the fiasco surrounding the December 17 DP congress in Moscow,

in particular, had caught Kasyanov and his supporters completely offguard. He confirmed media reports that some delegates had prevented Kasyanov from attending the main congress, where Kasyanov had hoped to be elected party leader and, subsequently, to use the DP as the vanguard for a united democratic opposition for the 2007-08 election cycle. Instead, the current Chairman of the DP's Central Committee, Andrey Bogdanov, was elected party leader, while Kasyanov and company were forced to hold a separate, hastily arranged meeting elsewhere in the city.

¶4. (C) Buklemishev contended that the Kremlin had effectively split the DP by buying off Bogdanov and his block of delegates. Such a divide-and-conquer approach was a staple Kremlin political strategy, he offered, but the use of physical intimidation to lock out a viable challenger was "childish" and demonstrated a new low even by Russia's deteriorating democratic standards. In spite of the lockout, Buklemishev claimed that DP delegates from 32 regions threw in their lot with Kasyanov at the alternative congress, which was also attended by Belykh and Khakamada. However, Buklemishev acknowledged that Kasyanov's failure to take over the DP had undermined his longer-term political strategy, which he, along with other members of Kasyanov's advisory team, would re-evaluate in coming weeks. Among the options was creation of a totally new political organization. He asserted, however, that Kasyanov intended to press ahead with his political quest despite the mounting pressure against him.

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IT'S EVEN WORSE IN THE PROVINCES

¶5. (C) Buklemishev went on to say that Kasyanov had

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confronted similar opposition the previous week during a visit to Kursk, which he described as a DP stronghold with more than 10,000 local members (NOTE: Some media reports suggested that the number of DP members in Kursk is closer to 13,000, including several members of the local legislature). Buklemishev reported that local authorities had initially denied permission to host a party meeting at two venues before finally settling on a third location. The last-minute decision did not deter organized protesters from showing up at the approved location. At the entrance to the building Buklemishev said several hundred pensioners and members of the pro-Kremlin Nashi demonstrated against Kasyanov. Local police stood by as scuffles broke out between Nashi members and DP supporters; police intervened only when some of the Nashi members began to damage the property because, as a senior police official explained to Buklemishev, local authorities would blame the police for any damage. Buklemishev said a row of parked cars prevented Kasyanov's vehicle from entering the street where the building was located, and Kasyanov was forced to walk the last block on foot. Much of the crowd had backed off at that point, but at least one protester threw an egg at Kasyanov (but missed). Buklemishev added that a subsequent meeting with the public was canceled because of an alleged bomb threat.

¶6. (C) Buklemishev noted that Kursk was Kasyanov's third foray to the regions since he announced his presidential candidacy. Protesters had greeted Kasyanov elsewhere, but not with the intensity he encountered in Kursk. (NOTE: Kasyanov is not the only member of the democratic opposition to face such difficulties. Garri Kasparov, head of the United Civic Forum, has experienced similar protests in his regional travels.) In addition to the continuing demonstrations, Buklemishev said Kasyanov found it hard to get positive media attention, and Duma Deputy Aleksandr Khinshteyn continued to dog him with allegations of corruption. Khinshteyn's latest charge was that Kasyanov had attempted to bribe DP members to support his bid for the party's leadership. Dismissing Khinshteyn as a hack whose disreputable activities were well known even in Soviet times,

Buklemishev nonetheless admitted that further allegations of corruption, however false, did not help Kasyanov's cause and would bolster the Kremlin's relentless campaign to undermine the candidate's political message. Buklemishev added that Kremlin pressure even extended to prospective clients of Kasyanov's private consulting business, MK Analytika. The firm had virtually no business because potential customers feared retaliation from authorities for their association with Kasyanov.

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COMMENT

¶7. (C) Both Buklemishev in his meeting with us and Kasyanov, in his public statements, have tried to spin recent setbacks in a positive light. Kasyanov has cited the DP congress affair, in particular, as an example of the Kremlin's fear of the popular will and criticized the extent to which authorities will employ ruthless "elements of totalitarianism" to maintain their grasp on power. Kasyanov also said in an interview with ECHO Moskvii radio December 19 that he did not view his failure to secure the DP leadership as a defeat and reaffirmed his intention to challenge the current political establishment. That may be so, but Buklemishev's comments to us, which might or might not be disingenuous about Kasyanov's indignation at Kremlin tactics, make it clear that Kasyanov's campaign is in considerable disarray before it has had a chance to get off the ground. Kasyanov's resilience will be tested as he tries to rescue his effort to unite the democratic opposition, and the odds against him will remain daunting. In addition to continued strong opposition from the Kremlin, Kasyanov still needs to demonstrate to the general public that he is not corrupt and prove to the liberal opposition that he is a genuine democrat worthy of support. Nonetheless, the Kremlin's dislike of the upstart challenger is evident. As Kasyanov underscored in the ECHO Moskvii interview last week, the "rules of the game offered by the state are unplayable because the player on one side can just overturn the chessboard at any time." Recent events in Moscow and Kursk seem to signify that authorities are prepared to employ a full array of options against Kasyanov -- and to ensure that his chessboard remains unbalanced and unusable.

¶8. (C) Ironically, Kasyanov appears to share with Putin one benefit -- the absence of a credible alternative. We have previously noted that while Putin is genuinely popular, he also benefits from a broad perception that there is no alternative to him. To a certain extent, Kasyanov benefits from the same perception among those at the "democratic" end

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of the political spectrum. One prominent commentator, for instance, recently complained about Kasyanov's failure to anticipate the Kremlin's hardball tactics against him and his "pathetic" ECHO Moskvii interview but still said that Kasyanov was, *faute de mieux*, the only plausible democratic challenger for the presidency.

¶9. (C) We would also note that from its beginnings, people close to the Kasyanov effort have spoken of mounting an electoral challenge for the presidency in 2008 but have, in fact, appeared more hopeful about the possibility that Kasyanov might emerge as a near-consensus candidate of the political and economic elite at an undefined time of national crisis before 2008 arrives, potentially obtaining the nod from Putin himself for the succession. That seemed very much an outside chance even early in 2005, when things were going badly for Putin, and seems even less likely now. Nonetheless, many continue to note that despite Khinshteyn's continuing drumbeat of allegations against Kasyanov, there has yet to be any legal action taken against him, and others perceive an obscure Kasyanov link through Roman Abramovich to Putin's entourage. We continue to see Kasyanov's prospects as very limited but also regard his "campaign" efforts as

being as much a negotiation offer as an attempt at outreach
to the public.

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